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KERALA GAZETTE

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Notification No. 42293|60|Fin(WM)5 dated 29th July 1960 and the Press Communique dated 29th July 1960 regarding the floatation of the 4% Kerala State Development Loan, 1969.

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GOVERNMENT OF KERALA

FINANCE DEPARTMENT

NOTIFICATION

No. 42293|60|Fin. (W|M) 5.

Dated, Trivandrum, 29th July 1960

Four per cent Kerala State Development Loan 1969, issued at Rs. 99.50 per cent and redeemable at par on 29th August 1969

1. *Object.*—The proceeds of the loan will be utilised for financing the Development Schemes under the State's Second Five Year Plan.

2. *Security for loan.*—In accordance with Article 293 (1) of the Constitution of India, the loan will be secured on the Consolidated Fund of the State of Kerala.

The consent of the Central Government has been obtained to the floatation of this loan as required by Article 293 (3) of the Constitution of India.

3. *Description.*—The loan will be briefly described as the 4 per cent Kerala State Development Loan 1969.

4. *Amount of issue.*—The amount of the loan will be Rs. 400 lakhs.

5. *Issue price.*—The issue price will be Rs. 99.50 for every Rs. 100 of the loan applied for.

6. *Subscriptions.*—Subscriptions will be received from the 29th August 1960 to the 1st September 1960 both days inclusive and on the 5th and 6th September 1960. Subscriptions may be in the form of cash|cheque. The loan will be closed without notice as soon as it appears that the total subscriptions amount approximately to Rs. 400 lakhs and in any case not later than the close of business on the 6th September 1960. The Government reserve the right to retain subscriptions received upto ten per cent in excess of the sum of Rs. 400 lakhs.

7. *Partial allotment.*—If the total subscriptions exceed the sum of Rs. 440 lakhs, partial allotment will be made. If partial allotment is made, the balance of the sum paid at the time of application will be refunded as soon as possible after allotment. No interest will be paid on the amounts so refunded.

8. *Date of repayment.*—The loan will have a currency of 9 years from the 29th August 1960 and will be repaid at par on the 29th August 1969.

9. *Interest.*—The loan will bear interest at the rate of 4 per cent per annum from the 29th August 1960. Interest will be payable half yearly on the 29th February (28th February in the case of non-leap years) and the 29th August and will be subject to tax under the Indian Income-tax Act, 1922.

Refunds of tax deducted at the time of payment (at rates prescribed by the annual Finance Acts) will be obtainable by holders of the loan who are not liable to tax or who are liable at a rate lower than the rate at which tax was deducted. A holder who is not liable to tax or who is liable to tax at a rate lower than the prescribed rate can obtain, on application, a certificate from the Income-tax Officer of the district authorising payment of interest to him without deduction of tax or with deduction of tax at such lower rate as may be applicable to the holder.

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10. *Place of payment of interest.*—Interest will be paid at any treasury or sub-treasury in the State of Kerala and at the Public Debt Offices at Bombay, Calcutta, New Delhi, Madras and Bangalore.

11. *Form of securities.*—The loan will be issued in the form of—

(1) Stock, the applicants for which will be given Stock Certificates, or

(2) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes which are transferable by endorsement.

12. *Applications for loan.*—(1) Applications for the loan must be for Rs. 100 or for a multiple of that sum.

(2) Applications will be received at—

(a) the offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras and Bangalore,

(b) the branches of the State Bank of India, within the State of Kerala, and

(c) the Government treasuries and sub-treasuries in the State of Kerala at places where there is no branch of the State Bank of India.

(3) Applications may be made in the form attached hereto (printed copies of which are available at the places mentioned in sub-paragraph (2) above) or in any other form which states clearly the amount and description of the securities required, the full name and address of the applicant and the Public Debt Office or treasury or sub-treasury at which he desires that interest shall be paid.

13. *Method of paying subscriptions.*—Applications should be accompanied by the necessary payment either in cash or by cheque for the amount of the loan applied for. Cheques should be made payable to the Reserve Bank of India or the State Bank of India or the Treasury Officers as the case may be.

When a cheque is tendered in payment of the application money, the security will not be issued until the amount of the cheque has been realised.

14. *Brokerage.*—Brokerage will be paid at the rate of 6 Naye paise per cent to recognised banks and brokers on allotments made in respect of applications for the loan bearing their stamp.

15. *Depreciation Fund.*—The Government of Kerala will provide in each financial year from 1961-62 to 1968-69 inclusive, a sum equal to 1½ per cent of the total nominal amount of the loan to be used for purchasing the securities of the loan for cancellation.

16. *Sinking Fund.*—The Government of Kerala will also make such annual contributions to a Sinking Fund to be utilised towards the amortisation of their open market loans, as they may from time to time decide to be necessary.

17. *Public Debt Office.*—The State Public Debt Office will be located at the Public Debt Office, Madras.

By order of the Governor,

P. S. PADMANABHAN,
Finance Secretary to Government.

GOVERNMENT OF KERALA

FINANCE (Ways and Means) DEPARTMENT

Dated, 29th July 1960.

PRESS COMMUNIQUE

FOUR PER CENT KERALA STATE DEVELOPMENT LOAN 1969

(Financial position of the Government of Kerala)

Subscriptions for the 4 per cent Kerala State Development Loan 1969 will be received from the 29th August 1960 at the offices of the Reserve Bank of India at Madras, Bombay, Calcutta, New Delhi, and Bangalore, and branches of the State Bank of India within the State of Kerala and at the District and Sub Treasuries of the State at places where there are no branches of the State Bank of India. Details in regard to the terms of the Loan are contained in the Finance Department Notification No. 42293|60|Fin. (W|M) 5 dated 29th July 1960 published in the Kerala Government Gazette (Extraordinary) of that date. The proceeds of the Loan are intended to be utilised for financing the development schemes under the State's Second Five Year Plan. A brief resume of the financial position of the State is given below:

Note.—The figures given below are provisional as the allocation of assets and liabilities between Madras and Kerala consequent on the reorganisation of States has not yet been finalised.

ASSETS AND LIABILITIES

2. The total public debt of the Kerala Government as on the 31st March 1960 according to the preliminary accounts of March was about Rs. 62.21 crores, of which Rs. 43.44 crores represent the loans received by the State from the Government of India and Rs. 13.52 crores represent open market loans raised for financing the expenditure on irrigation, electricity and other development schemes and also for re-lending to local bodies, agriculturists, etc. The balance mainly represents temporary ways and means advances received from the Reserve Bank of India and the State Bank of India.

Against the outstanding open market loans aggregating Rs. 13.52 crores, the total contribution made to the General Sinking Fund to the end of 1959-60 is Rs. 1.32 crores. It will be seen that the provision made for the amortisation of the State's open market loans amounts to about 10 per cent of the amount outstanding. A substantial portion of the Sinking Fund stands specifically invested in Government securities.

The other main interest-bearing liabilities of the Government as on 31-3-1960 amounted to Rs. 12.76 crores as detailed below:

	(Rs. in crores).
Savings Bank Deposits	2.03
Provident Fund Deposits	3.85
Reserve Fund of Electricity, Transport and other Commercial concerns	4.10
Special Loans	0.12
State Insurance Fund	2.66
Total	12.76

The total liability on which interest is payable thus amounted to about Rs. 74.97 crores as on the 31st March 1960. The total interest charges according to the Budget Estimates, 1960-61, are only about Rs. 2.55 crores against which a sum of Rs. 0.89 crore is realisable by

way of interest on Capital invested in Government Commercial undertakings, etc. The net effect is thus a debit of Rs. 1.66 crores only to the Revenue Account.

3. Besides the liabilities referred to above, the Government have some liabilities on account of various deposits received by them from Local Funds and from the public from time to time. Government have also given guarantees to certain quasi-Government and other commercial institutions. The ultimate liability to the Government on account of these guarantees will, however, be practically nil.

4. Against the liabilities mentioned above, the Government own capital and remunerative assets and other investments worth about Rs. 75.12 crores as at the end of March 1960, as shown below:

	Rs. in crores (Based on preliminary accounts.)
Irrigation, etc. schemes	12.78
Electricity schemes	24.75
Schemes of improvement of Public Health (only from 1957-58 onwards)	3.33
Loans and Advances made by the State Government	14.68
Investments in State Transport and other Government commercial undertakings and investments in shares of commercial concerns	12.89
Surplus investments in gilt-edged securities, bullion accounts and short-term deposits in banks	6.69
	75.12

Further, Government have invested Sinking Funds and other earmarked funds mainly in Government securities.

5. According to the revised estimates for 1959-60 the total assets of the Government amount to Rs. 103.71 crores against a total liability of Rs. 87.86 crores. Thus the assets exceed the liabilities by Rs. 15.85 crores. Besides these assets, the Government also own other extensive and valuable assets in the form of buildings, lands, roads and bridges, forests, etc. which go to reinforce the already sound financial position of the Government.

P. S. PADMANABHAN,
Finance Secretary.

FORM OF APPLICATION

4 per cent Kerala State Development Loan, 1969.

I/We ....

....

herewith tender Cash/Cheque for Rs. * ....

....

and request that securities of the 4 per cent Kerala State Development Loan, 1969, of the nominal value of Rs. ....may be issued to me/us in the form of Promissory Note(s) † / Stock Certificate of the denominations stated below :

....Promissory Notes of Rs. ....each

....Promissory Notes of Rs. ....each

....Promissory Notes of Rs. ....each

2. I/We desire that interest be paid at..

N. B.—The applicant should not write anything in this cage. The entries will be filled in by the Public Debt Office.

	Initials	Date
Application No.	....	....
N. B. Stamp................	....	....
Cash Received	....	....
Cheque realised................	....	....
Credited to Special Current Account................	....	....
Examined	....	....
Cash Applications Register posted	....	....
Brokerage Register posted	....	....
Indent No.	....	....
Scrip No.	....	....
Card No.	....	....
Voucher passed on	....	....

Signature.. ....

Name (in full)..

....

Address..

....

Dated the 1960.

"Certified that a sum of Rs...being the purchase price at Rs.....................................per cent has been credited to Government Account under the appropriate head, *vide* chalan No.................dated.."

Treasury/Sub Treasury Officer.

Note.—Separate application should be made for each form of scrip (Stock Certificate or Promissory Note) of the New Loan required.

* Figures and words to be written here.

† Promissory Notes will be issued in denominations of Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000, Rs. 10,000, Rs. 25,000, Rs. 50,000 and Rs. 1,00,000. State here the particular denominations required.

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